

FIRST REGULAR SESSION

HOUSE BILL NO. 1345

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DIEHL.

2642H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 8.420 and 8.665, RSMo, and to enact in lieu thereof seven new sections relating to bonds issued by the state board of public buildings.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 8.420 and 8.665, RSMo, are repealed and seven new sections
2 enacted in lieu thereof, to be known as sections 8.420, 8.665, 8.950, 8.953, 8.956, 8.959, and
3 8.962, to read as follows:

8.420. 1. Bonds issued under and pursuant to the provisions of sections 8.370 to 8.450
2 shall be of such denomination or denominations, shall bear such rate or rates of interest not to
3 exceed fifteen percent per annum, and shall mature at such time or times within forty years from
4 the date thereof, as the board determines. The bonds may be either serial bonds or term bonds.

5 2. Serial bonds may be issued with or without the reservation of the right to call them
6 for payment and redemption in advance of their maturity, upon the giving of such notice, and
7 with or without a covenant requiring the payment of a premium in the event of such payment and
8 redemption prior to maturity, as the board determines.

9 3. Term bonds shall contain a reservation of the right to call them for payment and
10 redemption prior to maturity at such time or times and upon the giving of such notice, and upon
11 the payment of such premium, if any, as the board determines.

12 4. The bonds, when issued, shall be sold at public sale for the best price obtainable after
13 giving such reasonable notice of such sale as may be determined by the board, but in no event
14 shall such bonds be sold for less than ninety-eight percent of the par value thereof, and accrued
15 interest. Any such bonds may be sold to the United States of America or to any agency or

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 instrumentality thereof, at a price not less than par and accrued interest, without public sale and
17 without the giving of notice as herein provided.

18 5. The bonds, when issued and sold, shall be negotiable instruments within the meaning
19 of the law merchant and the negotiable instruments law, and the interest thereon shall be exempt
20 from income taxes under the laws of the state of Missouri.

21 6. The board shall not issue revenue bonds pursuant to the provisions of sections 8.370
22 to 8.450 for one or more projects, as defined in section 8.370, in excess of a total par value of
23 [one billion one] **seven** hundred seventy-five million dollars.

24 7. Any bonds which may be issued pursuant to the provisions of sections 8.370 to 8.450
25 shall be issued only for projects which have been approved by a majority of the house members
26 and a majority of the senate members of the committee on legislative research of the general
27 assembly, and the approval by the committee on legislative research required by the provisions
28 of section 8.380 shall be given only in accordance with this provision. For the purposes of
29 approval of a project, the total amount of bonds issued for purposes of energy retrofitting in
30 state-owned facilities shall be treated as a single project.

31 [8. Any bonds which may be issued due to the increase of the cap amount in subsection
32 6 of this section occurring on August 28, 2014, shall not be issued for construction of new
33 buildings and shall only be used for repair or renovation of existing buildings and facilities,
34 except that bonds may be issued for the construction of a new mental health facility in any
35 county of the first classification with more than forty thousand but fewer than fifty thousand
36 inhabitants and with a home rule city with more than twelve thousand one hundred but fewer
37 than twelve thousand two hundred inhabitants as the county seat.]

8.665. 1. Bonds issued under and pursuant to the provisions of sections 8.660 to 8.670
2 shall be of such denomination or denominations, shall bear such rate or rates of interest not to
3 exceed fifteen percent per annum, and shall mature at such time or times within forty years from
4 the date thereof, as the board determines. The bonds may be either serial bonds or term bonds.

5 2. Serial bonds may be issued with or without the reservation of the right to call them
6 for payment and redemption in advance of their maturity, upon the giving of such notice, and
7 with or without a covenant requiring the payment of a premium in the event of such payment and
8 redemption prior to maturity, as the board determines.

9 3. Term bonds shall contain a reservation of the right to call them for payment and
10 redemption prior to maturity at such time or times and upon the giving of such notice, and upon
11 the payment of such premium, if any, as the board determines.

12 4. The bonds, when issued, shall be sold at public sale for the best price obtainable after
13 giving such reasonable notice of such sale as may be determined by the board, but in no event
14 shall such bonds be sold for less than ninety-eight percent of the par value thereof, and accrued

15 interest. Any such bonds may be sold to the United States of America or to any agency or
16 instrumentality thereof, at a price not less than par and accrued interest, without public sale and
17 without the giving of notice as herein provided.

18 5. The bonds, when issued and sold, shall be negotiable instruments within the meaning
19 of the law merchant and the negotiable instruments law, and the interest thereon shall be exempt
20 from income taxes under the laws of the state of Missouri.

21 6. The board shall not issue revenue bonds pursuant to the provisions of sections 8.660
22 to 8.670 for one or more projects, as defined in section 8.660, in excess of a total par value of
23 [three hundred seventy] **two hundred ten** million dollars.

24 7. Any bonds which may be issued pursuant to the provisions of sections 8.660 to 8.670
25 shall be issued only for projects which have been approved by a majority of the house members
26 and a majority of the senate members of the committee on legislative research of the general
27 assembly, and the approval by the committee on legislative research required by the provisions
28 of section 8.661 shall be given only in accordance with this provision. For the purposes of
29 approval of a project, the total amount of bonds issued for purposes of energy retrofitting in
30 state-owned facilities shall be treated as a single project.

31 8. The provisions of sections 8.660 to 8.670 shall terminate upon the satisfaction of all
32 outstanding bonds, notes and obligations issued pursuant to such sections. The commissioner
33 of the office of administration shall notify the revisor of statutes when all outstanding bonds,
34 notes, and obligations have been satisfied.

35 9. Any bonds which may be issued due to the increase of the cap amount in subsection
36 6 of this section occurring on August 28, 2014, shall not be issued for construction of new
37 buildings and shall only be used for repair or renovation of existing buildings and facilities.

8.950. As used in sections 8.950 to 8.962 the following words and phrases mean:

- 2 (1) "Board", the state board of public buildings;
3 (2) "Project", maintenance, repair, or renovation of any improvement to real
4 property owned by the state except real property owned or possessed by the conservation
5 and highway and transportation commissions, including bridges and highways constructed
6 pursuant to article IV, section 29 of the Constitution of Missouri;
7 (3) "Renovation bonds", bonds issued under the provisions of sections 8.950 to
8 8.962 for the purposes authorized thereunder and payable, both as to principal and
9 interest, solely and only out of funds from the facilities maintenance reserve fund created
10 in article IV, section 27(b) of the Constitution of Missouri, and, in addition thereto, in the
11 discretion of the board, out of the proceeds of any grant in aid of the project which may
12 be received from any source.

2 **8.953. 1. The board of public buildings, after project approval by the committee**
3 **on legislative research of the general assembly, may implement a project. For the purpose**
4 **of providing funds for any such project, the board may issue and sell renovation bonds, in**
5 **an amount not to exceed the estimated cost of the project, including costs necessarily**
6 **incidental thereto.**

7 **2. Any bonds issued under and pursuant to sections 8.950 to 8.962 shall not be**
8 **deemed to be an indebtedness of the state of Missouri or of the board, or of the individual**
9 **members of the board, and shall not be deemed to be an indebtedness within the meaning**
10 **of any constitutional or statutory limitation upon the incurring of indebtedness.**

11 **8.956. 1. Bonds issued under the provisions of sections 8.950 to 8.962 shall be of**
12 **such denomination or denominations, shall bear such rate or rates of interest not to exceed**
13 **ten percent per annum, and shall mature at such time or times within ten years from the**
14 **date thereof, as the board determines. The bonds may be either serial bonds or term**
15 **bonds.**

16 **2. Serial bonds may be issued with or without the reservation of the right to call**
17 **them for payment and redemption in advance of their maturity, upon the giving of such**
18 **notice, and with or without a covenant requiring the payment of a premium in the event**
19 **of such payment and redemption prior to maturity, as the board determines.**

20 **3. Term bonds shall contain a reservation of the right to call them for payment and**
21 **redemption prior to maturity at such time or times and upon the giving of such notice, and**
22 **upon the payment of such premium, if any, as the board determines.**

23 **4. The bonds, when issued, shall be sold at public sale for the best price obtainable**
24 **after giving such reasonable notice of such sale as may be determined by the board, but in**
25 **no event shall such bonds be sold for less than ninety-eight percent of the par value thereof,**
26 **and accrued interest. Any such bonds may be sold to the United States of America or to**
27 **any agency or instrumentality thereof, at a price not less than par and accrued interest,**
without public sale and without the giving of notice as herein provided.

5. The bonds, when issued and sold, shall be negotiable instruments within the
meaning of the law merchant and the negotiable instruments law, and the interest thereon
shall be exempt from income taxes under the laws of the state of Missouri.

6. The board shall not issue renovation bonds pursuant to the provisions of sections
8.950 to 8.962 for one or more projects in excess of a total par value of five hundred million
dollars.

7. Any bonds which may be issued pursuant to the provisions of sections 8.950 to
8.962 shall be issued only for projects which have been approved by a majority of the house
of representatives members and a majority of the senate members of the committee on

28 legislative research of the general assembly, and the approval by the committee on
29 legislative research required by the provisions of section 8.953 shall be given only in
30 accordance with this subsection.

8.959. 1. The renovation bonds issued pursuant to the provisions of sections 8.950 to 8.962 may be refunded, in whole or in part, in any of the following circumstances:

3 **(1) When any such bonds have by their terms become due and payable and there**
4 **are not sufficient funds in the facilities and maintenance reserve fund to pay such bonds**
5 **and the interest thereon;**

6 **(2) When any such bonds are by their terms callable for payment and redemption**
7 **in advance of their date of maturity and are duly called for payment and redemption;**

8 **(3) When any such bonds are voluntarily surrendered by the holder or holders**
9 **thereof for exchange for refunding bonds.**

10 **2. For the purpose of refunding any bonds issued under sections 8.950 to 8.962,**
11 **including refunding bonds, the board may make and issue refunding bonds in the amount**
12 **necessary to pay off and redeem the bonds to be refunded together with unpaid and past**
13 **due interest thereon and any premium which may be due under the terms of the bonds,**
14 **together also with the cost of issuing the refunding bonds, and may sell the same in like**
15 **manner as provided for the sale of renovation bonds, and with the proceeds thereof pay**
16 **off, redeem and cancel the old bonds and coupons that have matured, or the bonds that**
17 **have been called for payment and redemption, together with the past due interest and the**
18 **premium, if any, due thereon, or the bonds may be issued and delivered in exchange for**
19 **a like par value amount of bonds to refund which the refunding bonds were issued. No**
20 **refunding bonds issued pursuant to the provisions of this section shall be payable in more**
21 **than ten years from the date thereof or shall bear interest at a rate in excess of six percent**
22 **per annum.**

23 **3. The refunding bonds shall be payable from the same sources as were pledged to**
24 **the payment of the bonds refunded thereby and, in the discretion of the board, may be**
25 **payable from any other sources which under sections 8.950 to 8.962 may be pledged to the**
26 **payment of renovation bonds. Bonds of two or more issues may be refunded by a single**
27 **issue of refunding bonds.**

8.962. 1. The board may prescribe the form, details and incidents of the bonds, and
2 **make the covenants that in its judgment are advisable or necessary properly to secure the**
3 **payment thereof; but the form, details, incidents, and covenants shall not be inconsistent**
4 **with any of the provisions of sections 8.950 to 8.962. Such bonds may have the seal of the**
5 **board impressed thereon or affixed thereto or imprinted or otherwise reproduced thereon.**
6 **If such bonds shall be authenticated by the bank or trust company acting as registrar for**

7 such bonds by the manual signature of a duly authorized officer or employee thereof, the
8 duly authorized officers of the board executing and attesting such bonds may all do so by
9 facsimile signature provided such signatures have been duly filed as provided in the
10 uniform facsimile signature of public officials law, sections 105.273 to 105.278, when duly
11 authorized by resolution of the board and the provisions of section 108.175 shall not apply
12 to such bonds. The holder or holders of any bond or bonds issued under sections 8.950 to
13 8.962 or of any coupons representing interest accrued thereon may, by proper civil action
14 either at law or in equity, compel the board to perform all duties imposed upon it by the
15 provisions of sections 8.950 to 8.962, and also to enforce the performance of any and all
16 other covenants made by the board in the issuance of the bonds.

17 2. Bonds may be issued under the provisions of sections 8.950 to 8.962 pursuant to
18 a resolution adopted by the affirmative vote of two-thirds of the members of the board, and
19 no other proceedings shall be required therefor.

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